

**Financial Statements of the
HOUSING AUTHORITY OF
THE CITY OF OGDEN
Ogden, Utah
For the year ended June 30, 2006 and 2005
Including
Independent Auditor's Reports,
Management's Discussion and Analysis, and
Supplemental Information**

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**

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Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

Independent Auditor's Report

To the Board of Commissioners
Housing Authority of the City of Ogden
City of Ogden, Utah

We have audited the accompanying statements of fund net assets of the Housing Authority of the City of Ogden (the Authority), as of and for the year ended June 30, 2006 and 2005, and the related statement of revenue, expenses and changes in fund net assets and statement of cash flows for the year then ended, which collectively comprise the Authority's basic financial statements. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2006 and 2005, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2006, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The accompanying Financial Data Schedules, included on Schedules 1 and 2 listed in the table of contents, are not a required part of the basic financial statements, but are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Baird, Rasmussen & Associates, P.C.

Baird, Rasmussen & Associates, P.C.
Bountiful, Utah
October 20, 2006

**HOUSING AUTHORITY OF THE CITY OF OGDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

As management of the Housing Authority of the City of Ogden (OHA), we offer readers of the OHA's financial statements this narrative overview and analysis of the financial activities of the OHA for the fiscal year ended June 30, 2006.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- The assets of the OHA exceeded its liabilities at the close of the most recent fiscal year by \$6,813,534 (net assets). Of this amount, \$1,682,883 (unrestricted net assets) may be used to meet OHA's ongoing obligations to citizens, creditors, and spending at OHA's discretion within HUD guidelines.
- The total revenue for all programs was \$9,751,835 for the year. Rental, interest and other income generated approximately \$526 thousand towards this amount, with the remaining balance consisting of HUD grants and subsidy.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the OHA's basic financial statements. The OHA's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the OHA's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the OHA's assets and liabilities, with the difference between the two reported as net assets.

The statement of activities presents information showing how the OHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

HOUSING AUTHORITY OF THE CITY OF OGDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

The governmental activities of the OHA is to promote and provide safe, affordable and sound housing, free from discrimination, with self sufficiency opportunities for persons of low to medium income in partnership with communities we serve.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The OHA, like other state and local government units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The OHA adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the OHA, assets exceed liabilities by \$6,813,534 at the close of the most recent fiscal year. By far the largest portion of the OHA's net assets (60 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The OHA uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

HOUSING AUTHORITY OF THE CITY OF OGDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

OHA's Net Assets

	<u>2006</u>	<u>2005</u>
Current and other assets	\$3,045,914	\$1,964,545
Capital assets	8,109,419	7,952,934
Less: Accumulated depreciation	<u>(3,963,074)</u>	<u>(3,716,306)</u>
Total assets	<u>7,192,259</u>	<u>6,201,173</u>
Long-term liabilities outstanding	67,075	49,184
Other liabilities	<u>311,650</u>	<u>447,988</u>
Total liabilities	<u>378,725</u>	<u>497,172</u>
Net Assets		
Invested in capital assets, net of related debt	4,146,345	4,236,628
Restricted for future use	-	-
Unrestricted Administrative Reserve	1,682,883	1,467,373
Undesignated Fund – HAPs	<u>984,306</u>	<u>0</u>
Total net assets	<u>\$6,813,534</u>	<u>\$5,704,001</u>

At the end of the current fiscal year, the OHA is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities. The following is an explanation of the significant changes between fiscal years as shown in the table above:

- **Current Assets** increased by \$1,081,369 reflecting decreased spending for Housing Assistance Payments due to lower FMR's after HUD place Ogden in a lower FMR MSA (previously in the Salt Lake City MSA).
- **Capital Assets:** As of June 30, 2006 OHA had \$8,109,419 invested in a broad range of capital assets, including land, buildings and improvements, furniture, and equipment. This amount represents an increase of \$156,485. With the exception to Land, the major capital asset events during the current fiscal year were provided through the Capital Fund for the purpose of modernization and improvements to the public housing properties. .
- **Unrestricted net assets** increased by \$1,109,533 from the prior year. This change is due to HUD's requirement to record excess budget authority as revenue rather than recording it as deferred revenue.

HOUSING AUTHORITY OF THE CITY OF OGDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

OHA's Change in Net Assets

	<u>2006</u>	<u>2005</u>
Program revenues:		
Federal Subsidies	\$9,226,104	\$8,600,237
Rents	389,251	368,199
Interest	82,541	29,049
Other	<u>53,939</u>	<u>52,263</u>
Total revenues	9,751,835	9,049,748
Housing expenditures	<u>8,642,302</u>	<u>9,036,908</u>
Change in net assets	1,109,533	12,840
Net assets, beginning	5,704,001	5,691,161
Prior period adjustment(s)	<u>-</u>	<u>-</u>
Net assets, ending	<u>\$6,813,534</u>	<u>\$5,704,001</u>

Financial Analysis of the Government's Funds

As noted earlier, the OHA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is an explanation of the significant changes between fiscal years as shown in the table above:

- Total revenues increased by \$702,087 due to HUD's requirement to record excess budget authority as revenue rather than recording it as deferred revenue. Total expenditures decreased \$394,606. The housing authority adjusted its payment standard and paid reduced Housing Assistance Payment Standards in direct reflection of HUD's decision to place Ogden in a separate and lower FMR MSA (not in the Salt Lake City MSA). The agency maintained a 99% utilization rate.

Governmental funds: The focus of the OHA's funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the OHA's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the OHA's unrestricted (Administrative Reserve) fund balance reported a balance of \$1,682,883, an increase of \$215,510 in comparison with the prior year, which is available for spending at the OHA's discretion within HUD guidelines. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved fund balance represents 19.5 percent of total general fund expenditures

HOUSING AUTHORITY OF THE CITY OF OGDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

Economic Factors

OHA is primarily dependent upon HUD for the funding of operations; therefore, OHA is affected more by the federal budget than by state or local economic conditions.

Requests for Information

This financial report is designed to provide a general overview of the OHA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be address to the Finance Manager at the Housing Authority of the City of Ogden, 2661 Washington Blvd., Suite 102, Ogden, UT 84401.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Combined Statement of Net Assets
June 30, 2006 and 2005**

ASSETS	<u>2006</u>	<u>2005</u>
Current Assets:		
Cash	\$ 2,244,616	\$ 1,766,019
Investments	23,995	22,890
Accounts Receivable-HUD	160,568	28,316
Accounts Receivable - Other	113,237	46,713
Note Receivable	326,710	-
Prepaid expenses	110,358	32,774
Total Current Assets	<u>2,979,484</u>	<u>1,896,712</u>
Restricted Assets:		
Cash	66,430	67,833
Total Restricted Assets	<u>66,430</u>	<u>67,833</u>
Noncurrent Assets:		
Capital Assets		
Land	1,048,879	1,018,280
Buildings and Improvements	6,752,373	6,635,202
Furniture and equipment	308,167	299,452
Total Capital Assets	8,109,419	7,952,934
Less: Accumulated Depreciation	(3,963,074)	(3,716,306)
Total Non-Current Assets	<u>4,146,345</u>	<u>4,236,628</u>
TOTAL ASSETS	<u><u>7,192,259</u></u>	<u><u>6,201,173</u></u>
 LIABILITIES		
Current Liabilities:		
Accounts Payable	155,838	38,732
Tenant Security Deposits	66,430	67,833
Accrued Liabilities	67,887	58,567
Other Current Liabilities	20,945	19,268
Deferred Revenue	550	263,588
Total Current Liabilities	<u>311,650</u>	<u>447,988</u>
Noncurrent Liabilities:		
FSS Escrow	48,710	34,671
Other Long-Term Obligations	18,365	14,513
Total Noncurrent Liabilities	<u>67,075</u>	<u>49,184</u>
TOTAL LIABILITIES	<u><u>378,725</u></u>	<u><u>497,172</u></u>
 NET ASSETS		
Invested in capital assets, net of related debt	4,146,345	4,236,628
Restricted net assets	-	-
Unrestricted net assets	2,667,189	1,467,373
TOTAL NET ASSETS	<u><u>\$ 6,813,534</u></u>	<u><u>\$ 5,704,001</u></u>

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**
**Combined Statement of Revenues, Expenditures,
and Changes in Net Assets**
For The Year Ended June 30, 2006 and 2005

	2006	2005
OPERATING REVENUES		
Federal Subsidies	\$ 9,226,104	\$ 8,600,237
Rents	389,251	368,199
Other	53,939	52,263
Total Operating Revenues	<u>9,669,294</u>	<u>9,020,699</u>
OPERATING EXPENSES		
Administrative	955,227	942,341
Tenant Services	1,433	5,478
Utilities	170,428	149,789
Ordinary Maintenance and Operations	218,650	261,666
General	118,678	109,527
Extraordinary Maintenance	101,280	138,532
Housing Assistance Payments	6,829,839	7,190,609
Depreciation	246,767	238,966
Total Operating Expenses	<u>8,642,302</u>	<u>9,036,908</u>
Income/(Loss) From Operations	<u>1,026,992</u>	<u>(16,209)</u>
Nonoperating Income (Expenses)		
Interest Income	82,541	29,049
Total Nonoperating Income (Expenses)	<u>82,541</u>	<u>29,049</u>
Net Income (Loss)	1,109,533	12,840
Net assets at beginning of year	5,704,001	5,691,161
Net assets at end of year	<u>\$ 6,813,534</u>	<u>\$ 5,704,001</u>

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Combined Statement of Cash Flows
For The Year Ended June 30, 2006 and 2005**

	2006	2005
Cash Flows From Operating Activities		
Federal subsidies receipts	\$ 8,830,814	\$ 8,823,291
Rents received	322,727	375,803
Other receipts	53,939	52,263
Cash paid for administrative services	(955,227)	(942,341)
Cash paid for tenant services	(1,433)	(5,478)
Cash paid for utilities	(170,428)	(149,789)
Cash paid for ordinary maintenance and operations	(218,650)	(261,666)
Cash paid for general and other expenses	(152,950)	(300,775)
Cash paid for housing assistance	(6,829,839)	(7,190,609)
Net Cash Provided By Operating Activities	<u>878,953</u>	<u>400,699</u>
Cash Flows From Noncapital Financing Activities	-	-
Cash Flows From Capital Financing Activities		
Acquisition of capital assets	(156,485)	(113,200)
Net Cash Used In Capital Financing Activities	<u>(156,485)</u>	<u>(113,200)</u>
Cash Flows From Investing Activities		
Net Investments (purchased)/sold	(1,105)	98,982
Notes receivable issued	(326,710)	-
Interest on investments	82,541	29,049
Net Cash Provided/(Used) By Capital Financing Activities	<u>(245,274)</u>	<u>128,031</u>
Net Increase in Cash and Cash Equivalents	477,194	415,530
Cash and Cash Equivalents at June 30, 2005 and 2004	1,833,852	1,418,322
Cash and Cash Equivalents at June 30, 2006 and 2005	<u>\$ 2,311,046</u>	<u>\$ 1,833,852</u>
Reconciliation of operating income to net cash used by operating activities:		
Income/(Loss) From Operations	\$ 1,026,992	\$ (16,209)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation	246,768	238,968
(Increase) Decrease in:		
Accounts Receivable - HUD	(132,252)	(28,316)
Accounts Receivable - Other	(66,524)	7,604
Prepaid expenses	(77,584)	(7,965)
Increase (Decrease) in:		
Accounts Payable	117,106	(59,090)
Tenant Security Deposits	(1,403)	4,455
Accrued Liabilities	9,320	20,048
Other Current Liabilities	1,677	19,268
Deferred Revenue	(263,038)	251,370
Deposits and Other Liabilities	17,891	(29,434)
Net Cash Provided By Operating Activities	<u>\$ 878,953</u>	<u>\$ 400,699</u>

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Notes to Financial Statements
June 30, 2006 and 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND HISTORY

The Housing Authority of the City of Ogden (the Authority) was established in 1970 for the purpose of providing affordable housing to individuals living in the City of Ogden and Weber County. The Housing Authority provides decent, safe and sanitary housing to low-income families and individuals through housing assistance payments and other public housing programs.

The Authority supports a total of 1406 housing units under five different housing programs. The Authority owns 200 units in its public housing program, of which all units are available for lease to low income and elderly individuals in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines. Operating subsidies are received by the Authority directly from HUD. The Authority subsidizes rental expenses for units which clients lease from private apartment owners.

FINANCIAL REPORTING MODEL

The Authority has implemented the new financial reporting model, as required by the provisions of GASB Statement No. 34, *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The significant changes to these statements are as follows:

1. Presentation of management's discussion and analysis.
2. The term retained earnings is replaced by net assets.
3. The statement of cash flows is presented on the direct method.

FINANCIAL REPORTING ENTITY

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "The Financial Reporting Entity", which describes those entities which are considered component units for financial reporting purposes. Management of the Authority and the City of Ogden have determined that the Authority is not a component unit of the City, or any other government entity under the criteria of GASB Statement No. 14.

Additionally, Weber County Housing Authority (WCHA) receives Housing Choice Voucher funding from HUD. This is administered for WCHA by the Authority and is considered a component unit of the Authority. Revenues/expenditures for WCHA totaled \$725,480/ \$719,411 and \$779,509/ \$773,732 respectively for the years ended June 30, 2006 and 2005. Management is not aware of other government entities that should be included with the Authority's basic financial statements as component units in accordance with GASB Statement No. 14.

INTER-FUND TRANSACTIONS

Inter-fund payables and receivables as of June 30, 2006 and 2005 totaling \$163,445 and \$41,649, respectively, have been eliminated from the combined balance sheet.

BASIS OF PRESENTATION – FUND ACCOUNTING

In order to insure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which appropriations, grants or contracts for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Notes to Financial Statements
June 30, 2006 and 2005**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

BASIS OF PRESENTATION – FUND ACCOUNTING – CONTINUED

In accordance with HUD prescribed accounting practices, the Authority has adopted the Statement of Government Accounting Standards (SGAS) No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The Authority has elected to apply all applicable FASB pronouncements and Accounting Principle Board (APB) opinions issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

BASIS OF ACCOUNTING

The Authority prepares its basic financial statements using the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2006 and 2005 consist of cash on hand, demand deposits and savings deposits. Certificates of deposits and U.S. Treasury Bills are reported on the balance sheet as investments.

FIXED ASSETS

Fixed assets are carried at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 - 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DEFERRED REVENUE

Deferred revenue consists of federal subsidies earned after July 1, 2006 and 2005 that were received by the Authority on or before June 30, 2006 and 2005.

ACCRUED COMPENSATED ABSENCES

The balance of accrued liabilities at June 30, 2006 and 2005, of \$67,887 and \$58,567, respectively, includes current accrued compensated absences totaling \$38,244 and \$34,439. Other long-term obligations at June 30, 2006 and 2005, of \$18,365 and \$14,513, respectively, include non-current accrued compensated absences totaling \$18,365 and \$14,513.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Notes to Financial Statements
June 30, 2006 and 2005**

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits for the Authority are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the ACT”) and by rules of the Utah Money Management Council (“the Council”). Following are discussions of the Authority’s exposure to various risks related to its cash management activities.

Custodial Credit Risk

Custodial Credit risk for deposits is the risk that in the event of a bank failure, the Authority’s deposits may not be recovered. The Authority’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of local government to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. As of June 30, 2006, \$2,223,162 of the Authority’s bank balances of \$2,323,162 was uninsured and uncollateralized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity of all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, fixed rate corporate obligations, to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years. Rule 2 of the Utah Money Management Council does not allow the dollar-weighted average maturity of fixed-income securities to exceed ten years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority’s policy for reducing its exposure to credit risk is to comply with the Act as previously discussed.

Concentration of Credit Risk

Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Authority’s policy for reducing this risk of loss is to comply with the rules of the Council. No more than 5 percent of all funds may be invested in securities of a corporation that has been in continuous operations for less than 3 years. No more than 5 percent of the outstanding voting securities of any one corporation may be held. In addition, Rule 2 limits investment concentration in certain types of investments.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Notes to Financial Statements
June 30, 2006 and 2005**

NOTE 3 – RETIREMENT PLAN

The Authority contributes to the Local Governmental Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems. Utah Retirement Systems provide retirement and survivor benefits to plan members and beneficiaries in accordance with retirement statutes.

The Utah Retirement Systems (the Systems) are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor of Utah. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for retirement plans administered by the Utah Retirement Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

The authority is legally obligated to contribute to the retirement systems as long as it has employees that meet membership requirements. The contribution rates are the actuarial determined rates. The contribution rates in effect for the year ending June 30, 2006, 2005 and 2004, calculated on the applicable salary for the eligible employees are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
2006	N/A	N/A	11.090%
2005	N/A	N/A	11.090%
2004	N/A	N/A	9.620%

The contributions made by the Authority for the year ended June 30, 2006, 2005 and 2004 were paid by the due dates or within 30 days thereafter and were equal to the required contributions.

The required contributions and amounts received for the year ended June 30, 2006 and the two previous fiscal years are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
2006	\$ -	\$ -	\$ 73,082	\$ 658,995
2005	\$ -	\$ -	\$ 72,837	\$ 656,781
2004	\$ -	\$ -	\$ 32,740	\$ 340,331

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**
Notes to Financial Statements
June 30, 2006 and 2005

NOTE 4 – ECONOMIC DEPENDENCY

A substantial portion of the Authority's revenue comes from U.S. Department of Housing and Urban Development. Programs operated by the Housing Authority depend upon continued funding by the U.S. Government.

NOTE 5 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Authority to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A minimal deductible applies to these policies, which the Authority pays in the event of any loss. The Authority has also purchased a workers' compensation policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the year ended June 30, 2006.

NOTE 6 – SCHEDULE OF CHANGES IN CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Land	\$ 1,018,280	\$ 30,599	\$ -	\$ 1,048,879
Buildings and Improvements	6,635,202	117,171	-	6,752,373
Furniture and Equipment	<u>299,452</u>	<u>8,715</u>	<u>-</u>	<u>308,167</u>
Total	\$ <u>7,952,934</u>	\$ <u>156,485</u>	\$ <u>-</u>	\$ 8,109,419
Accumulated Depreciation	\$ <u>3,716,306</u>	\$ <u>246,768</u>	\$ <u>-</u>	\$ <u>3,963,074</u>
Net book value	\$ <u>4,236,628</u>			<u>4,146,345</u>

NOTE 7 – RELATED PARTY TRANSACTIONS

The authority has issued a note receivable to Housing Management & Development Corporation (HMDC) for the amount of \$320,000 with an interest rate of 2.5% per annum. Susan Manning, the executive director of the Authority, is also the president of HMDC. The Authority recorded interest revenue of \$6,710 in relation to this note.

Supplemental Information

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Combining Statement of Net Assets
June 30, 2006**

	10	20	25	71	72	73
		Section 8	Section 8	Section 8	Section 8	Section 8
		Rental	Rental	Mod	Mod	Mod
		Vouchers	Vouchers	Rehab	Rehab	Rehab
FDS Line Item #	Account Description	Public Housing 14.850	Ogden 14.871	Program 1 14.856	Program 2 14.856	Program 3 14.856
	ASSETS					
	Current Assets					
	Cash:					
111	Cash - Unrestricted	\$ 607,957	\$ 1,279,129	\$ 208,850	\$ 2881	\$ 1,444
113	Cash - Other Restricted	66,430	-	-	-	-
100	Total Cash	<u>674,387</u>	<u>1,279,129</u>	<u>208,850</u>	<u>2,881</u>	<u>1,444</u>
	Receivables:					
121	Accounts Receivable - PHA Projects	-	-	-	-	-
122	Accounts Receivable - HUD	61,450	-	-	1,771	-
124	Accounts Receivable - Other Government	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	12,015	3,152	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	12,129	-	-	-	-
127	Notes and Mortgages Receivable - Current	-	-	110,867	86,292	13,434
128	Fraud Recovery	-	7,815	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	<u>85,594</u>	<u>10,967</u>	<u>110,867</u>	<u>88,063</u>	<u>13,434</u>
	Current Investments:					
131	Investments - Unrestricted	-	23,984	-	-	-
142	Prepaid Expenses and Other Assets	25,931	65,520	8,457	10,000	-
144	Interprogram Due From	88,809	45,966	-	6,450	-
150	Total Current Assets	<u>874,721</u>	<u>1,425,566</u>	<u>217,307</u>	<u>107,394</u>	<u>14,878</u>
	Noncurrent Assets					
	Fixed Assets:					
161	Land	1,018,280	-	-	30,599	-
162	Buildings	6,615,219	-	-	-	-
164	Furniture, Equipment & Machinery	226,659	28,161	30,713	8,030	1,000
165	Leasehold Improvements	5,295	-	-	-	-
166	Accumulated Depreciation	(3,905,059)	(25,908)	(13,940)	(7,730)	(1,000)
180	Total Non-Current Assets	<u>3,960,394</u>	<u>2,253</u>	<u>16,773</u>	<u>30,599</u>	<u>300</u>
190	TOTAL ASSETS	<u>\$ 4,835,115</u>	<u>\$ 1,427,819</u>	<u>\$ 234,080</u>	<u>\$ 157,275</u>	<u>\$ 14,878</u>
	LIABILITIES AND NET ASSETS					
	LIABILITIES					
	Current Liabilities					
312	Accounts Payable <= 90 Days	\$ 23,891	\$ 19,086	\$ 635	\$ 441	\$ 513
321	Accrued Wage/Payroll Taxes Payable	9,790	12,699	1,291	883	1,101
322	Accrued Compensated Absences	12,517	17,930	1,649	1,232	1,493
331	Accounts Payable - HUD	-	-	-	12,100	-
341	Tenant Security Deposits	66,430	-	-	-	-
342	Deferred Revenues	-	-	-	-	-
345	Other Current Liabilities	20,945	-	-	-	-
347	Interprogram Due To	-	-	-	12,439	-
310	Total Current Liabilities	<u>133,573</u>	<u>49,715</u>	<u>3,575</u>	<u>27,095</u>	<u>3,107</u>
	Non-Current Liabilities					
353	FSS Escrow	-	46,543	2,167	-	-
354	Accrued Compensated Absences - Non Current	4,986	9,700	873	564	684
350	Total Non-Current Liabilities	<u>4,986</u>	<u>56,243</u>	<u>3,040</u>	<u>564</u>	<u>684</u>
300	TOTAL LIABILITIES	<u>138,559</u>	<u>105,958</u>	<u>6,615</u>	<u>27,659</u>	<u>3,791</u>
	NET ASSETS:					
508.1	Invested in Capital Assets, Net of Related Debt	3,960,394	2,253	16,773	30,599	300
511.1	Restricted Net Assets	-	-	-	-	-
512.1	Unrestricted Net Assets	736,162	1,319,608	210,692	99,017	13,837
513	TOTAL NET ASSETS	<u>4,696,556</u>	<u>1,321,861</u>	<u>227,465</u>	<u>129,616</u>	<u>13,837</u>
600	TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,835,115</u>	<u>\$ 1,427,819</u>	<u>\$ 234,080</u>	<u>\$ 157,275</u>	<u>\$ 14,878</u>

76 Section 8 Mod Rehab Program 6 14.856	11 Capital Fund 14.872	30 HOPWA 14.241	32 FEMA 83.544	40 Substantial Rehab 14.182	21 Other Federal Funds	5, 8, 41, 50 81, 83, 85 86 & 91 State & Local Funds	Combined Balance
\$ 3,011	\$ -	\$ -	\$ -	\$ 85,273	\$ -	\$ 56,043	\$ 2,244,616
-	-	-	-	-	-	-	66,430
3,011	-	-	-	85,273	-	56,043	2,311,046
-	-	-	-	-	-	-	-
-	97,347	-	-	-	-	-	160,568
-	-	5,970	44,644	-	-	8,000	58,614
-	-	-	-	-	-	18,962	34,129
-	-	-	-	-	-	-	12,129
60,700	-	-	-	55,417	-	-	326,710
550	-	-	-	-	-	-	8,365
61,250	97,347	5,970	44,644	55,417	-	26,962	600,515
-	-	-	-	-	-	11	23,995
-	-	450	-	-	-	-	110,358
6,439	-	-	-	-	-	-	163,445 *
70,700	97,347	6,420	44,644	140,690	-	83,016	3,209,359
-	-	-	-	-	-	-	1,048,879
-	131,859	-	-	-	-	-	6,747,078
1,272	12,332	-	-	-	-	-	308,167
-	-	-	-	-	-	-	5,295
(1,272)	(8,165)	-	-	-	-	-	(3,963,074)
-	136,026	-	-	-	-	-	4,146,345
\$ 70,700	\$ 233,373	\$ 6,420	\$ 44,644	\$ 140,690	\$ -	\$ 83,016	\$ 7,355,704
\$ 515	\$ 14,981	\$ (1)	\$ -	\$ 484	\$ -	\$ 5,352	\$ 66,046
1,100	-	-	-	1,024	-	1,647	29,663
1,493	-	-	-	1,736	-	-	38,224
2,417	-	-	-	74,764	-	-	89,792
-	-	-	-	-	-	-	66,430
550	-	-	-	-	-	-	550
-	-	-	-	-	-	-	20,945
-	82,366	6,131	44,126	-	-	18,383	163,445 *
6,075	97,347	6,130	44,126	78,008	-	25,382	475,095
-	-	-	-	-	-	-	48,710
684	-	-	-	795	-	-	18,365
684	-	-	-	795	-	-	67,075
6,759	97,347	6,130	44,126	78,803	-	25,382	542,170
-	136,026	-	-	-	-	-	4,146,345
63,941	-	290	518	61,887	-	57,634	2,667,189
63,941	136,026	290	518	61,887	-	57,634	6,813,534
\$ 70,700	\$ 233,373	\$ 6,420	\$ 44,644	\$ 140,690	\$ -	\$ 83,016	\$ 7,355,704

* Not included on the combined statement of net assets.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**
**Combining Statement of Revenues, Expenditures, and
Changes in Net Assets**
For the Year Ended June 30, 2006

FDS Line Item #		10 Public Housing 14.850	20 Section 8 Rental Vouchers Ogden 14.871	25 Section 8 Rental Vouchers Weber 14.871	71 Section 8 Mod Rehab Program 1 14.856	72 Section 8 Mod Rehab Program 2 14.856	73 Section 8 Mod Rehab Program 3 14.856
	REVENUE						
	Tenant Revenue:						
703	Net Tenant Rental Revenue	\$ 363,239	\$ -	\$ -	\$ -	\$ -	\$ -
704	Tenant Revenue - Other	26,012	-	-	-	-	-
705	Total Tenant Revenue	389,251	-	-	-	-	-
706	HUD PHA Grants	381,538	5,457,263	819,311	452,909	560,425	60,095
706.1	Capital Grants	-	-	-	-	-	-
708	Other Governmental Grants	-	-	-	-	-	-
711	Investment Income - Unrestricted	24,230	37,184	6,104	4,493	3,778	511
714	Fraud Recovery	-	2,051	-	31	125	-
715	Other Revenue	-	123	30	-	-	-
700	TOTAL REVENUE	795,019	5,496,621	825,445	457,433	564,328	60,606
	EXPENSES						
	Administrative:						
911	Administrative Salaries	109,113	275,396	33,891	11,016	23,566	2,280
912	Auditing Fees	1,590	6,248	909	568	682	114
914	Compensated Absences	18	6,885	(159)	5	6	1
915	Employee Benefit Contributions - Administrative	50,150	109,862	12,712	7,210	8,924	1,352
916	Other Operating - Administrative	50,017	66,595	9,748	6,776	7,228	1,048
	Tenant Services:						
924	Tenant Services - Other	1,433	-	-	-	-	-
	Utilities:						
931	Water	43,558	-	-	-	-	-
932	Electricity	74,857	-	-	-	-	-
933	Gas	52,013	-	-	-	-	-
	Ordinary Maintenance & Operation:						
941	Ordinary Maintenance & Operation - Labor	100,688	-	-	-	-	-
942	Ordinary Maintenance & Operation - Materials & Other	25,013	-	-	-	-	-
943	Ordinary Maintenance & Operation - Contract Costs	44,714	-	-	-	-	-
945	Employee Benefit Contributions - Ordinary Maintenance	48,235	-	-	-	-	-
	General Expenses:						
961	Insurance Premiums	65,578	10,301	1,425	1,255	1,664	184
963	Payments in Lieu of Taxes	19,787	-	-	-	-	-
964	Bad Debt - Tenant Rents	14,537	-	-	-	-	-
966	Bad Debt - Other	-	-	-	-	-	-
969	TOTAL OPERATING EXPENSES	701,301	475,287	58,526	26,830	42,070	4,979
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	93,718	5,021,334	766,919	430,603	522,258	55,627
	Other Expenses:						
971	Extraordinary Maintenance	-	-	-	-	-	-
973	Housing Assistance Payments	-	4,090,644	655,772	417,312	516,084	54,904
974	Depreciation Expense	229,790	3,122	5,113	-	1,200	-
900	TOTAL EXPENSES	931,091	4,569,053	719,411	444,142	559,354	59,883
	Other Financing Sources (Uses)						
1001	Operating Transfers In	59,793	-	-	-	-	-
1002	Operating Transfers Out	-	-	-	-	-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	59,793	-	-	-	-	-
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(76,279)	927,568	106,034	13,291	4,974	723
1103	Net Assets at Beginning of Year	4,597,662	394,293	121,431	116,325	98,929	13,114
1104	Transfers and Adjustments	175,173	-	-	-	-	-
	Net Assets at End of Year	\$ 4,696,556	\$ 1,321,861	\$ 227,465	\$ 129,616	\$ 103,903	\$ 13,837

Schedule 2

76 Section 8 Mod Rehab Program 6 14.856	11 Capital Fund 14.872	30 HOPWA 14.241	32 FEMA 83.544	40 Substantial Rehab 14.182	21 Other Federal Funds	5, 8, 41, 50 81, 83, 85 86 & 91 State & Local Funds	Combined Balance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,239
-	-	-	-	-	-	-	26,012
-	-	-	-	-	-	-	389,251
422,964	-	36,643	-	658,935	-	-	8,850,083
-	320,280	-	-	-	-	-	320,280
-	-	-	55,741	-	-	-	55,741
2,501	-	-	-	3,740	-	-	82,541
140	-	-	-	-	-	-	2,347
-	-	-	-	-	512	50,927	51,592
425,605	320,280	36,643	55,741	662,675	512	50,927	9,751,835
23,563	33,321	7,874	-	14,376	1,460	26,841	562,697
682	-	-	-	568	-	-	11,361
6	-	-	-	875	-	-	7,637
8,922	-	-	-	6,456	-	10,081	215,669
7,097	-	88	-	6,602	-	2,664	157,863
-	-	-	-	-	-	-	1,433
-	-	-	-	-	-	-	43,558
-	-	-	-	-	-	-	74,857
-	-	-	-	-	-	-	52,013
-	-	-	-	-	-	-	100,688
-	-	-	-	-	-	-	25,013
-	-	-	-	-	-	-	44,714
-	-	-	-	-	-	-	48,235
1,586	-	107	-	1,854	-	33	83,987
-	-	-	-	-	-	-	19,787
-	-	-	-	-	-	-	14,537
-	-	-	-	-	-	367	367
41,856	33,321	8,069	-	30,731	1,460	39,986	1,464,416
383,749	286,959	28,574	55,741	631,944	(948)	10,941	8,287,419
-	101,280	-	-	-	-	-	101,280
378,623	-	33,956	55,223	627,321	-	-	6,829,839
-	7,542	-	-	-	-	-	246,767
420,479	142,143	42,025	55,223	658,052	1,460	39,986	8,642,302
-	-	-	-	-	-	-	59,793
-	(59,793)	-	-	-	-	-	(59,793)
-	(59,793)	-	-	-	-	-	-
5,126	118,344	(5,382)	518	4,623	(948)	10,941	1,109,533
58,815	191,960	5,672	-	57,264	948	47,588	5,704,001
-	(174,278)	-	-	-	-	(895)	-
\$ 63,941	\$ 136,026	\$ 290	\$ 518	\$ 61,887	\$ -	\$ 57,634	\$ 6,813,534

Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Housing Authority of the City of Ogden
Ogden, Utah

We have audited the basic financial statements of the Housing Authority of the City of Ogden (the Authority) as of and for the year ended June 30, 2006 and 2005, and have issued our report thereon dated October 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Baird, Rasmussen & Associates, P.C.

Baird, Rasmussen & Associates, P.C.
Bountiful, Utah
October 20, 2006

Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners
Housing Authority of the City of Ogden
Ogden, Utah

Compliance

We have audited the compliance of Housing Authority of the City of Ogden (the Authority), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2005. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2005.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

To the Board of Commissioners
Housing Authority of the City of Ogden

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Baird, Rasmussen & Associates, P.C.

Baird, Rasmussen & Associates, P.C.
Bountiful, Utah
October 20, 2006

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

<u>Federal Assistance Programs</u> <u>Agency/Program Grant Title</u>	<u>CFDA</u> <u>Number</u>	<u>Amount of</u> <u>Expenditures</u>
Department of Housing & Urban Development (HUD):		
Low Rent Public Housing	14.850	\$ 381,538
Section 8 Housing Choice Vouchers	14.871	6,276,574
Section 8 Construction and Substantial Rehabilitation	14.182	658,935
Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	14.856	1,496,393
Public Housing Capital Fund Program (CFP)	14.872	320,280
Housing Opportunities for Persons With AIDS (HOPWA)	14.241	36,643
Department of Homeland Security:		
Public Assistance Grant	83.544	<u>55,741</u>
Total expenditures of federal awards		<u>\$ 9,226,104</u>

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Ogden and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**HOUSING AUTHORITY OF THE
CITY OF OGEN
Status of Findings and Questioned Costs
For the year ended June 30, 2006**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Non compliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs

CFDA Number(s)

14.182

14.856

14.872

Name of Federal Program or Cluster

Section 8 Construction and Substantial Rehabilitation

Section 8 Moderate Rehabilitation

Public Housing Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**HOUSING AUTHORITY OF THE
CITY OF OGDEN
Status of Findings and Questioned Costs-continued
June 30, 2006**

There were no findings to report for fiscal year ended June 30, 2006.

**HOUSING AUTHORITY OF THE
CITY OF OGDEN**
Summary Schedule of Prior Audit Findings
June 30, 2006

Condition:

One case file, randomly selected from Low Rent Public Housing (CFDA #14.850) recipients, could not be located by management.

Reason Improvement Needed:

HUD requires that information be retained by the Authority. The application, verification of income, lease agreement, and certification form need to be kept as proof of eligibility of recipients. Such information is normally contained in a program recipient file.

Cause of Condition:

The case file had been misplaced and could not be located during the audit.

Effect of Condition:

Information on client and verification of eligibility was not available. We were unable to assess whether the client is eligible for program assistance.

Recommendation:

The Authority should recreate the missing file. The client should resubmit an application and the Authority should follow up with documentation. Procedures and internal controls to insure that a case file is created and maintained for each client should be adhered to.

Status:

This finding is considered resolved.

Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

Auditor's Report on Utah State Legal Compliance

To the Board of Commissioners
Housing Authority of the City of Ogden
Ogden, Utah

We have audited the basic financial statements of the Housing Authority of the City of Ogden (the Authority), for the years ended June 30, 2006 and 2005, and have issued our report thereon dated October 20, 2006. Our audit included test work on the Authority's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Other Compliance Requirements

The Authority did not receive any major or non-major State grants during the year ended June 30, 2006 and 2005.

The management of the Authority is responsible for the Authority's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Authority complied, in all material respects with the general compliance requirements identified above for the years ended June 30, 2006 and 2005.

Baird, Rasmussen & Associates, P.C.

Baird, Rasmussen & Associates, P.C.
Bountiful, Utah
October 20, 2006